GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4464
ANSWERED ON:08.05.2007
SETTING UP OF SALE OUTLET BY FOREIGN COMPANIES
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has allowed some foreign companies to set up their independent sale outlet to sell their products in the retail market of the country;

(b) if so, the details thereof, country-wise including American Companies;

(c) the time by when the permission was given and names of the foreign companies that have started functioning since permission was granted, state-wise;

(d) the names of the brands being sold by them and the benefits Indian consumers stand to gain therefrom;

(e) whether the said steps are likely to have an adverse effect on small traders in the country; and

(f) if so, the details and action taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI ASHWANI KUMAR)

(a) & (b): The extant policy allows Foreign Direct Investment (FDI) up to 51%, with prior Government approval, in the retail trade of 'Single Brand' products subject to conditions. Details of approvals granted since February 2006 is at Annex.

(c): No information is available with the Government regarding commencement of operations by these companies.

(d): Details of brands proposed to be sold are given in the Annex. Branded products cater to the brand conscious middle class and young population with a higher propensity to consume and increasing demand for lifestyle products.

(e) & (f): Government has recently instituted a study to assess the impact of organized retailing on unorganized retail trade through Indian Council for Research on International Economic Relations (ICRIER).